

Review of Degree Granting Institutions Act

September 2001

Background

Under the direction of the Higher Education Coordinating Board, staff is responsible for authorizing degree-granting institutions to operate in Washington, specifying those institutions that are exempt from authorization requirements, and approving foreign degree-granting branch campuses to operate in the state.

As a part of its ongoing responsibilities, the staff will review the statute and rules pertaining to the Degree-Granting Institutions Act.

This document contains a brief summary of the act and rules relating to authorization, and exemption from authorization, together with an outline of a proposed process to conduct the review.

Degree-Granting Institutions Act

The Washington Legislature enacted the Degree-Granting Institutions Act, chapter 28B.85 RCW, in 1986. The Board subsequently adopted rules to carry out the provisions of the act.

The act establishes a requirement that degree-granting institutions operating in Washington obtain authorization from the Higher Education Coordinating Board, unless specifically exempted from the authorization requirement of the act. The Board adopted rules (WAC 250-61) as a supplement to the act to establish necessary regulations for the authorization of degree-granting institutions.

The purpose of the act is to ensure fair business practices and adequate quality among degree-granting institutions operating in Washington and to protect citizens against substandard, fraudulent, and deceptive practices.

The act applies to degree programs and academic credit courses offered within the state. The act does not apply to degree programs and academic credit courses offered exclusively from outside the state through individual and private communication.

A degree-granting institution shall not operate, conduct business, grant or offer to grant any courses or degree programs unless the institution has obtained authorization from the Board or has been determined by the Board to be exempt.

REQUIREMENTS OF THE ACT

The act requires the Board to establish minimum standards for degree-granting institutions. These standards include granting of degrees, quality of education, unfair business practices, financial stability and other necessary measures to protect the citizens of Washington against substandard, fraudulent, or deceptive practices.

Currently the minimum standards are defined in rules adopted by the Board . The citizens of the state are protected from substandard, fraudulent, or deceptive practices through careful review of the institution's:

- bylaws and regulations established for governance and operation;
- administrator qualifications;
- admission requirements;
- student services;
- provisions for maintaining academic and financial records;
- facilities;
- fees and other charges;
- statements of transferability of credits;
- publications, including catalogs and handbooks; and
- biennial reviews and renewals of authorization.

Quality of education is determined by review of:

- curriculum;
- faculty qualifications;
- credit requirements;
- library resources; and
- institutional provisions for continual evaluation of educational programs.

Financial stability is demonstrated by a review of:

- bank or other financial institution references;
- a financial statement showing adequate financial resources; and
- a proposed two-year budget.

Unfair business practices are protected against through a review of:

- enrollment contracts;
- cancellation and refund policies; and
- advertisements.

The act further directs the Board to investigate any entity believed to be subject to the jurisdiction of the act and to develop an interagency agreement with the Workforce Training and Education Coordinating Board to regulate private vocational schools with respect to degree and non-degree programs. Both boards have entered into such an agreement.

The act requires degree-granting institutions to be authorized before offering or granting degrees in Washington. An institution may not operate in Washington unless it is authorized. By rule, the Board has defined “to operate” to include:

- offering courses in person, by correspondence, or electronic media, at any Washington location for degree credit, including electronic courses transmitted into the state of Washington;
- maintaining or advertising a Washington location, mailing address, or telephone number for any purpose or any function of a degree-granting institution, other than contact with the institution’s former students; and
- to advertise, publicize or engage in any activity to solicit enrollment at a degree-granting institution.

The act goes on to exempt certain institutions from the act. The exemptions pertain to:

- Any public college, university, community college, technical college, or institute operating as part of the public higher educational system;
- Institutions that have been accredited by an accrediting association recognized by the Board that meets established minimum exemption standards. Additionally, a Washington branch campus affiliated with an institution operating in another state must be separately accredited.
- Institutions of a religious character with programs devoted exclusively to religious or theological objectives. The programs must be represented in an accurate manner in institutional catalogs and other official publications.
- Institutions not otherwise exempt that offer only workshops or seminars lasting no longer than three calendar days and for which academic credit is not awarded.

The rules adopted by the Board further define exemption to include:

- Institutions offering instruction on a federal enclave solely to federal employees and their dependents.
- Tribally controlled Native American colleges.

The act empowers the Board to acquire such information from the institutions as required to carry out the act.

The remainder of the act deals with administrative direction concerning fees, surety bonds, authority to suspend or modify requirements of the act, claims, complaints, hearings, penalties for violations, educational records, contracts that could be voided, enforceability of debts, who may bring actions to enforce the chapter, and legally imposed relief.

PROCESS FOR REVIEW

Charge:

Review and evaluate existing HECB policies and procedures for degree granting authorization.

Review and Evaluate:

Degree Authorization Act (Degree-Granting Institutions) RCW 28B.85 and WAC 250-61

Interagency Agreement adopted October 1999 between the Higher Education Coordinating Board and the Workforce Training and Education Coordinating Board

Proposed Schedule for Review:

September Board meeting:

HECB staff briefing on existing policies and procedures

October Board meeting:

Present briefing paper on suggested statute and rule changes to improve the process and understanding of the policies and procedures for the degree-granting authorization act.

December Board meeting:

Present draft of proposed changes for Board comment

January and February:

Publish notice of proposed rule changes in the Washington State Register

March:

Formal hearing on proposed rule changes to be conducted

April Board meeting:

Present summary of comments received through the hearing process for Board consideration

May Board meeting:

Final Board action requested